

# First Half 2003 Financial Results



# First Half 2003 Highlights

- Modest organic growth, but a very good product mix
- Sharp growth in operating and net margin
- Major acquisitions program

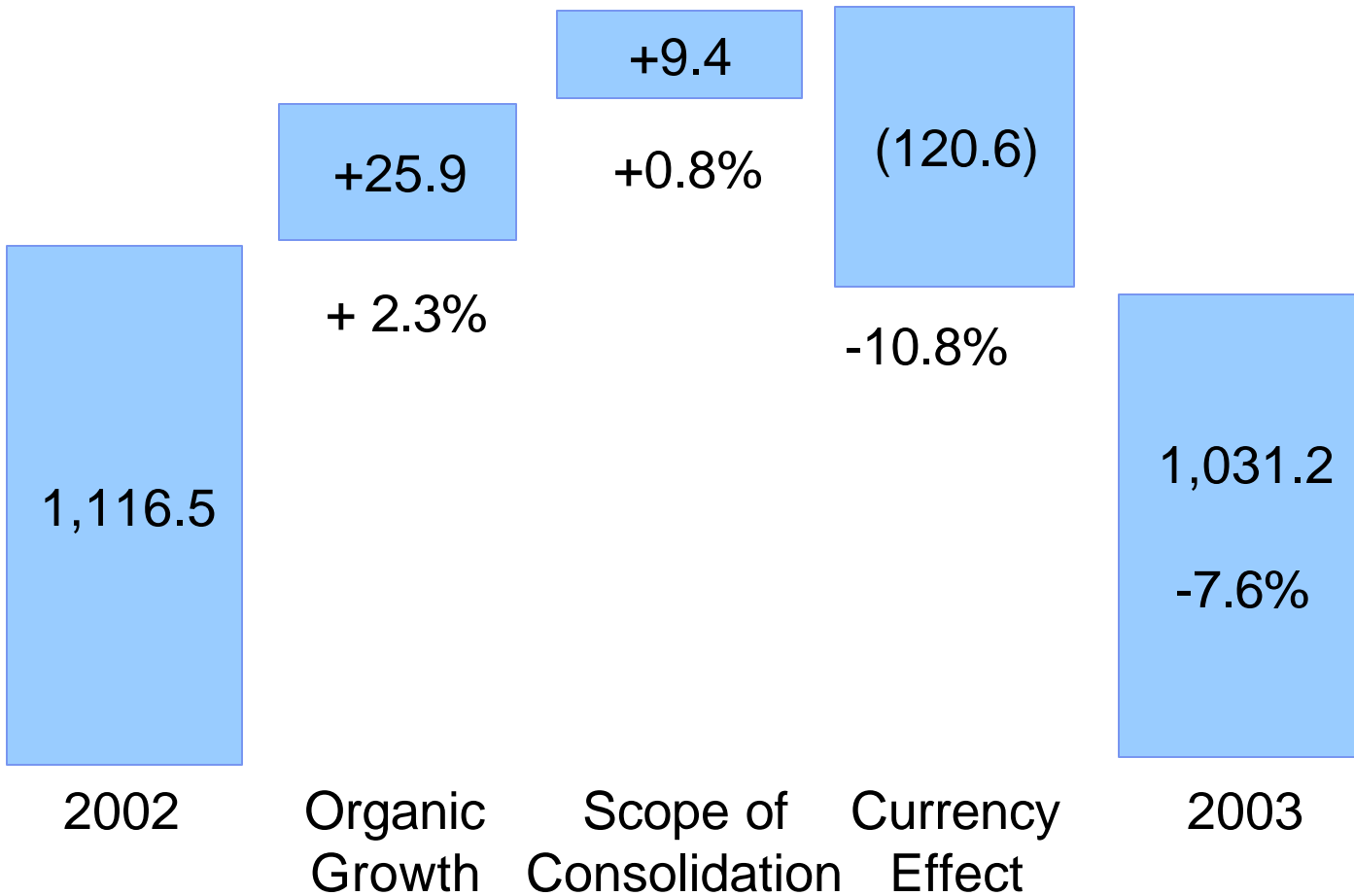
# Financial Highlights

€ millions

	1H 2002	1H 2003	% change
Sales	1,116.5	1,031.2	- 7.6% +2.3% like-for-like
Gross margin	59.5%	61.2%	
Operating income	176.9	182.2	+ 3.0%
% Sales	15.8%	17.7%	
Net income	99.7	102.8	+ 3.1%
% Sales	8.9%	10%	
EPS (in €)	1.00	1.02	+ 2.1%

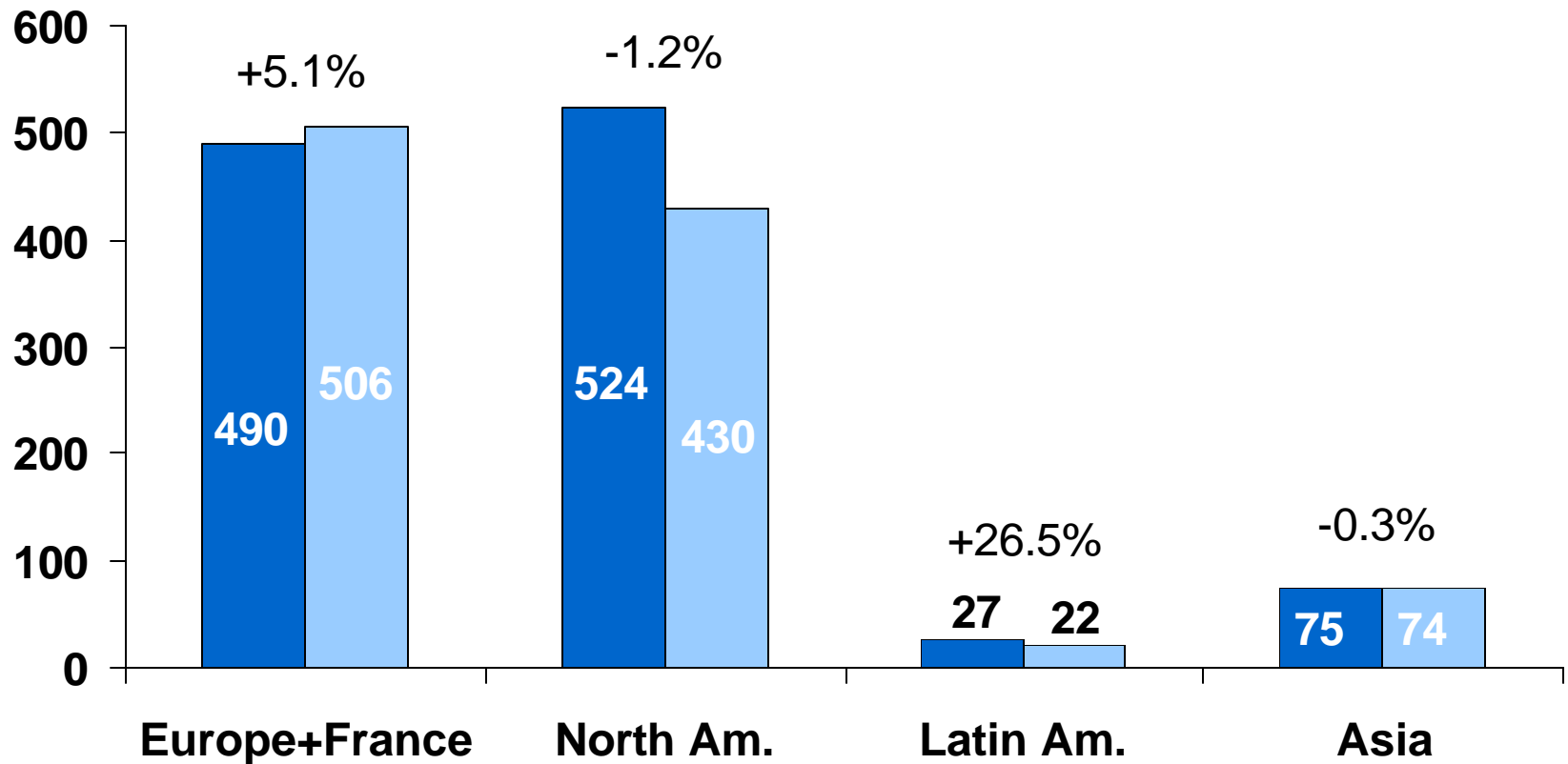
# Sales Growth

€ millions



# Sales by Region

% growth like-for-like

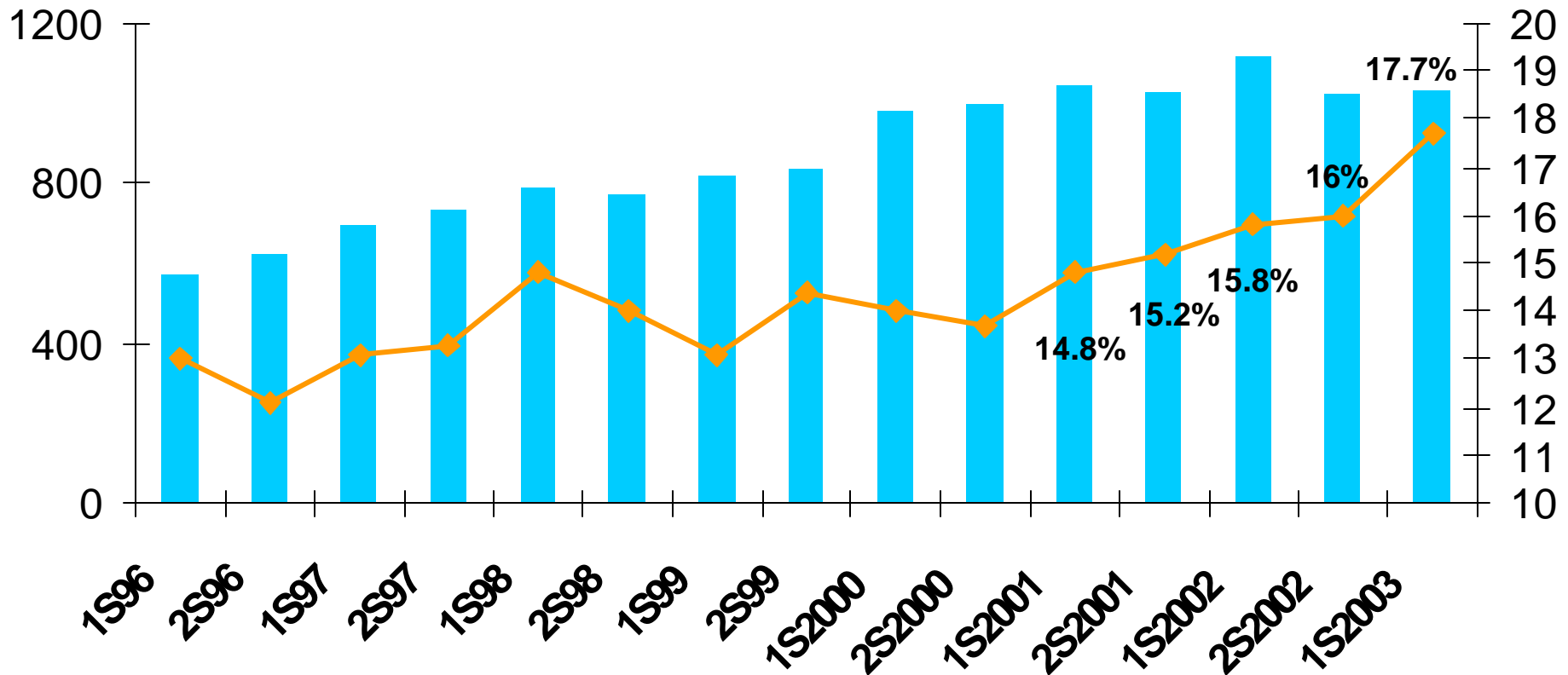


# Operating Margin Improves for the 5th Straight Half Year

€ millions

■ Sales —◆— Operating Margin

%



# Operating Margin

- Product mix
- Transitions®
- Cost control
- US and Europe

# Currency Effect = Translation Effect

	1H 2003 Actual rates		1H 2003 Using 2002 rates	
<b>Sales</b>	<b>1,031.2</b>	<b>-7.6%</b>	<b>1,151.8</b>	<b>+3.2%</b>
<b>Op. income</b>	<b>182.2</b>	<b>+3.0%</b>	<b>203.6</b>	<b>+15.1%</b>
<b>Operating margin</b>	<b>17.7 %</b>		<b>17.7 %</b>	

# Net Income

<i>€ millions</i>	1H 2002	1H 2003	% Change
Operating income	176.9	182.2	+ 3%
Net interest expense	(18.3)	(15.9)	-13.1%
Non-operating expense	(5.6)	(6.7)	
Income tax	(44.7)	(45.4)	
Net income of companies accounted for by the equity method	3.6	(0.4)	
Amortization of goodwill	(12.6)	(10.8)	
Net income after minority interest	99.7	102.8	+ 3.1%

# Non-Operating Expense

	1H 2002		1H 2003
Bacou-Dalloz revaluation gain	8.2		
VisionWeb*	(2.9)		
Restructuring costs USA	(3.1)	} (10.9)	(4.2)
Europe	(1.1)		(1.0)
Asset write-downs	(5.0)		
Other	(1.7)		(1.5)
<b>TOTAL</b>	<b>(5.6)</b>		<b>(6.7)</b>

(\*)Accounted for by the equity method in 2003

## Net Income

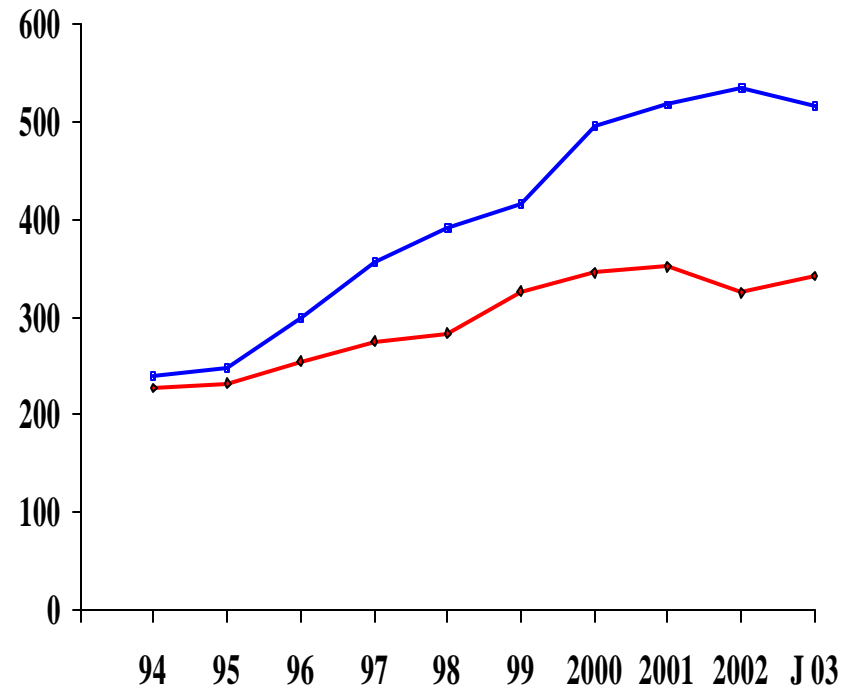
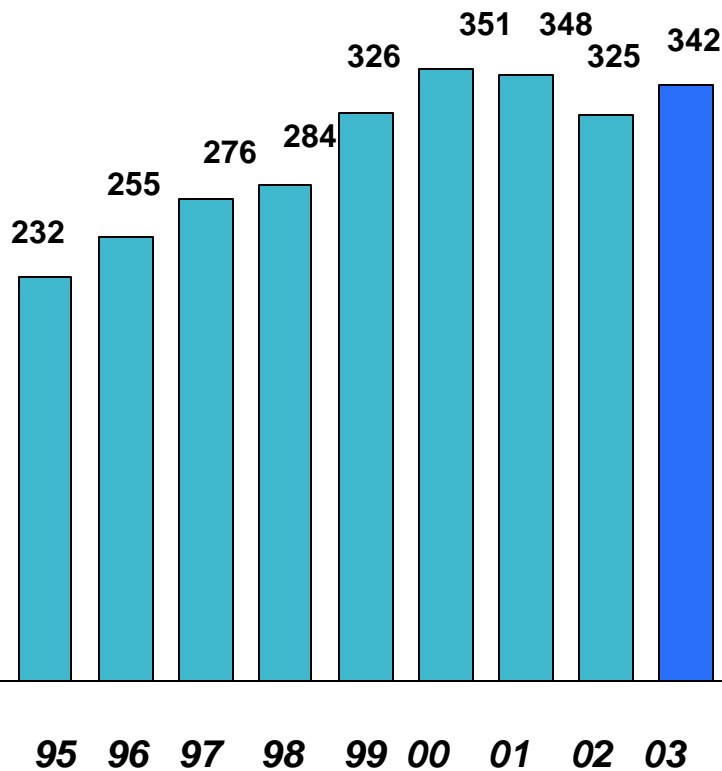
	1H 2002 restated*	1H 2003	% Change
<i>€ millions</i>			
Operating income	176.9	182.2	+ 3.0%
Net interest expense	(18.3)	(15.9)	-13.1%
Non-operating expense	(10.9)	(6.7)	- 38.2%
Income tax	(44.7)	(45.4)	
Net income of companies accounted for by the equity method	0.7	(0.4)	
Amortization of goodwill	(12.6)	(10.8)	
Net income after minority interest	91.5	102.8	+ 12.4%

# Inventories

+ 7% like-for-like

€ millions

+7% L/L



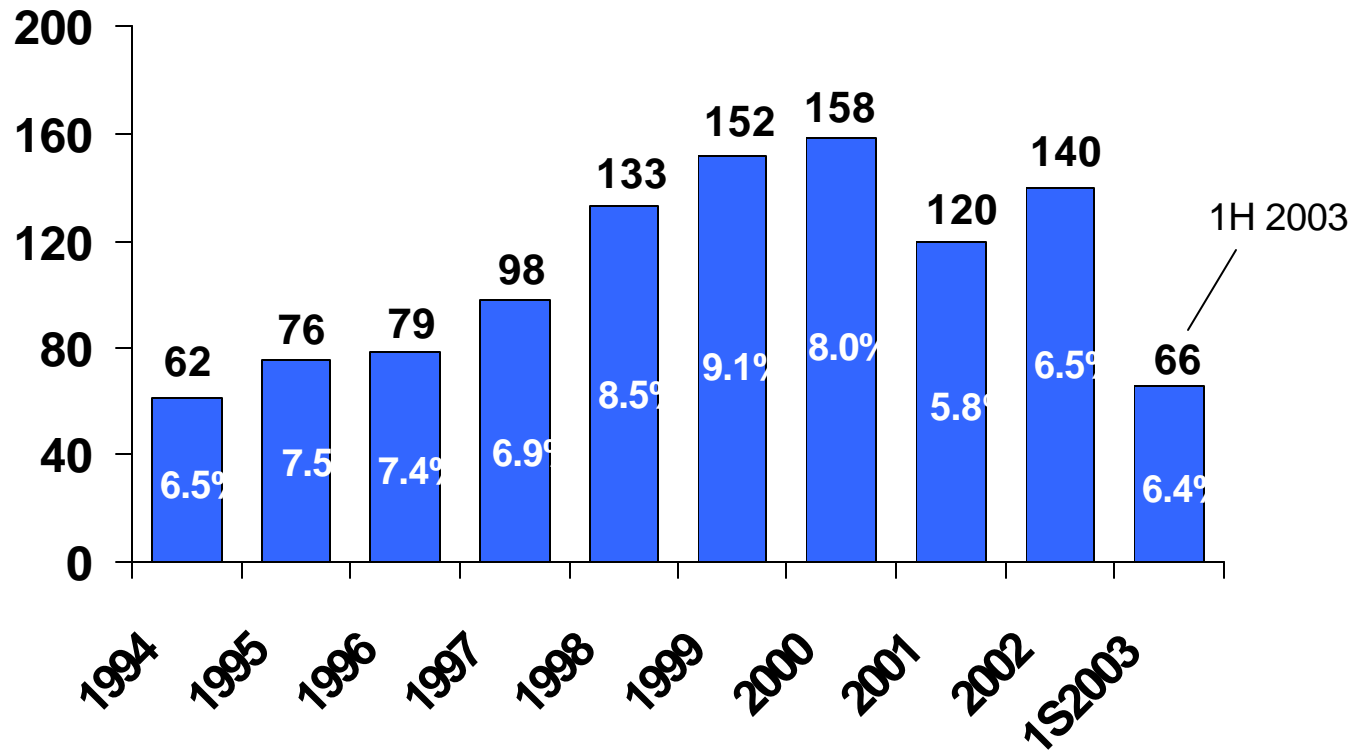
◆ Inventories

■ Sales

# Capital Expenditure

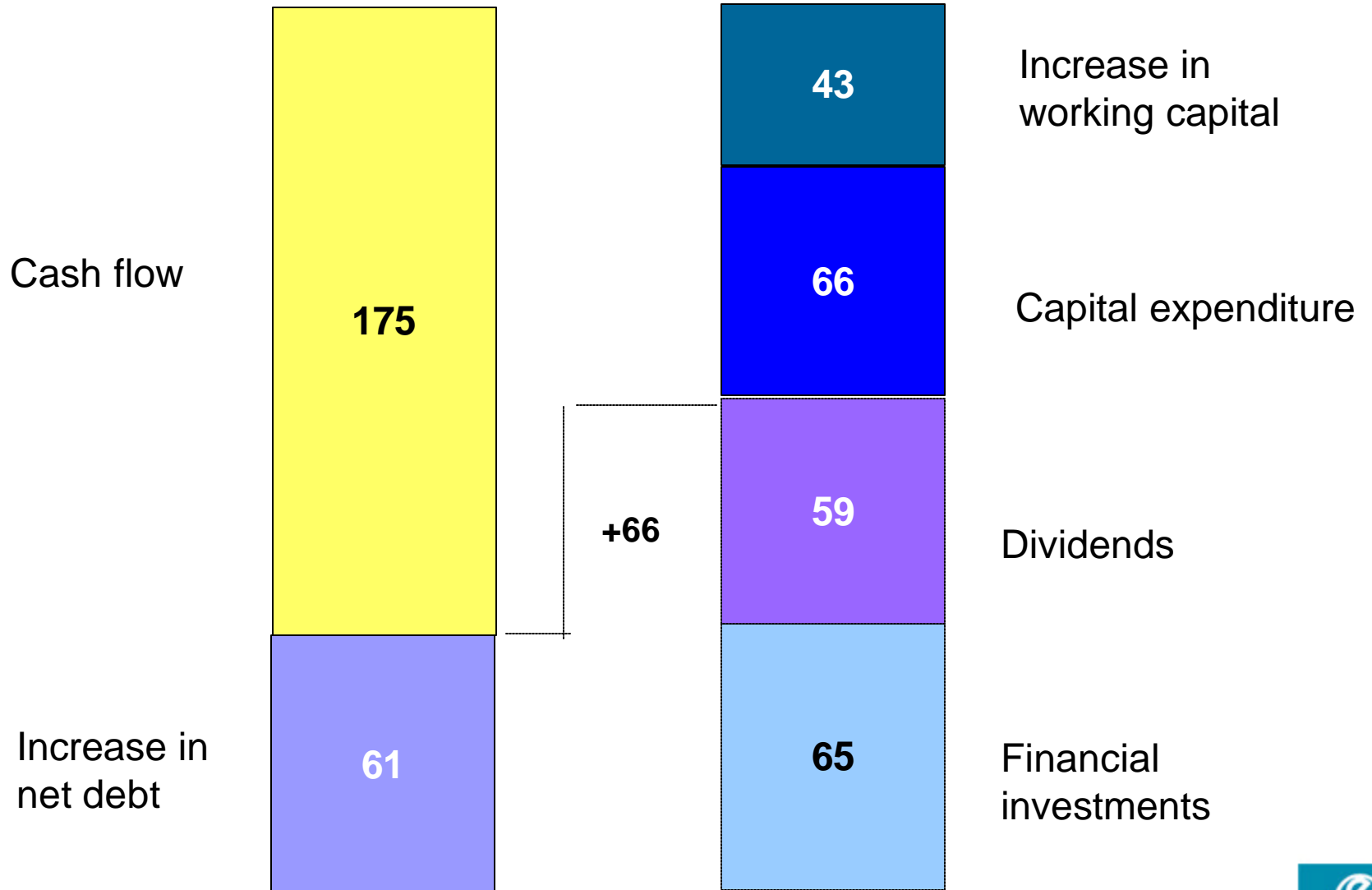
€ millions

% of sales



# Cash Flow - 1H 2003

€millions



# Acquisitions Since January 1, 2003

## Acquired

### USA / CANADA

Nassau / Stockhouse  
SLC / Polarizing lenses  
Optical Suppliers Hawaii / Laboratory  
Omni Texas / Laboratory  
Canadian laboratories

June 1  
March 3  
July 11  
August 30  
February to September

### ASIA

Essilor Korea Chemiglass / Topex  
Laboratories

February 1  
May

### EUROPE

Rupp + Hubrach

October

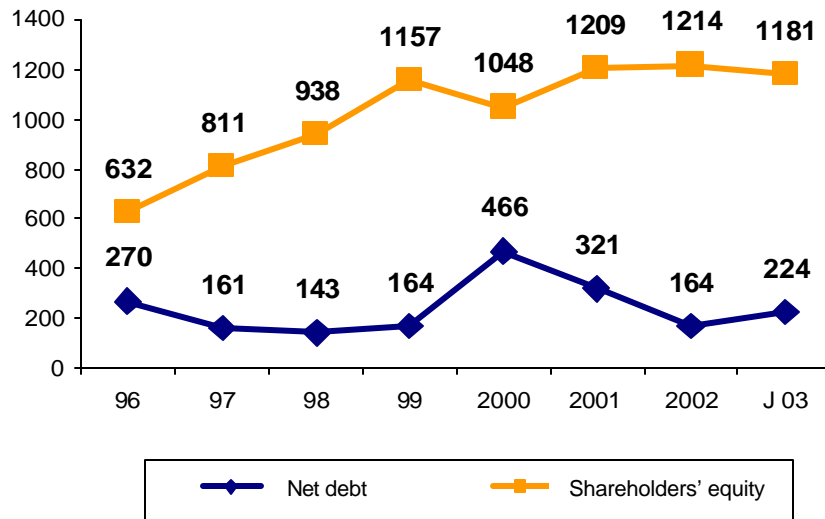
### TOTAL:

Annual sales           €155 million

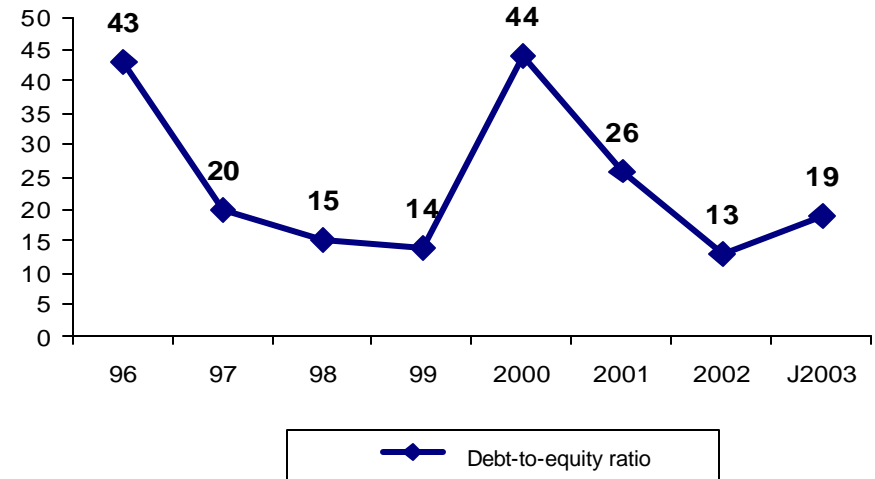
Purchase price       €110 million

# Balance Sheet Structure at June 30, 2003

in € millions



in %



# Change in issued capital (shares outstanding at July 31)

- 800,000 shares cancelled
- 269,000 new shares issued  
(corporate savings plan)
- 846,000 shares held in treasury
- 101,306,000 shares outstanding,  
excluding treasury stock

# In Brief

Very good results achieved  
in a fairly difficult economic environment

# Change in the main operating currencies against the euro

## Average rates

	June 2002	2003 Budget	June 2003
US Dollar	0.91	1.0	1.114
Brazilian Real	2.26	3.5	3.57
Japanese Yen	116.1	115.0	132.7

-19%

## Year-end rates

	June 2002	June 2003
US Dollar	1.00	1.143
Brazilian Real	2.85	3.29
Japanese Yen	118.2	137.3

